

Interim Results 2024

The UK's largest property franchisor

Record results following a transformational period



The UK's largest property franchisor

Franchising | Lettings & property management | Estate agency | Financial services | Licensing



Established in **1986**,
grown both organically
and through acquisition

8

acquisitions since 2013

LSEG

AIM 100 Company with a **£301m** mkt cap (9 Sept 24)

£74.7m

Combined Revenue (FY23)

56%

Recurring revenues, with lettings at the core of
the business (FY23)

£18.6m

Combined free cash flow (FY23)

£26.9m

Combined EBITDA (FY23)



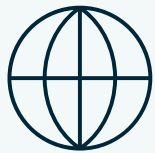
Proven multi brand franchise model

18

unique brands

1,900+

territories
globally



UK focus and now operates across
Europe, Africa, Asia, Australia and a further

65

international locations

Proven track record of delivering growth underpinned by resilient business model and strong bias towards lettings, providing a robust recurring revenue stream

National footprint with Local expertise

 **18** property brands







National property franchise brands

 143 Territories	 178 Territories	 189 Territories
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Regional property franchise brands

 29 Territories	 16 Territories	 16 Territories
 15 Territories	 14 Territories	 3 Territories

New for March 2024

 157 Territories	 90 Territories	 39 Territories
 20 Territories	 15 Territories	 10 Territories

New for June 2024

 778 outlets	 193 outlets in the UK 65 outlets internationally
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Acquisition of the Guild and Fine & Country

Increased market share of locations by 10%

Network expansion and geographic reach

- The Guild and F&C provide services to a total of 1,036 outlets, of which 65 are international.
- Strengthens reach and marketing and delivers an international footprint.
- Both businesses will continue to operate under their existing brands.

The Guild

- The Guild is a well-known and longstanding brand, established some 30 years ago, which supports its network of 778 outlets with a range of services and benefits.
- These include marketing, compliance, and training.

Fine & Country

- F&C supports its licensees with the technologies, market insight and marketing capabilities of a global brand and operates in 193 locations across the UK and a further 65 across Europe, Africa, Asia, and Australia.

Strengthened team

- CEO Iain McKenzie and his team remain to continue to grow the business and will provide additional benefits to our network.
- TPFG will be gaining access to the 20 strong team of marketing professionals.

H1 2024 Operational Highlights

Franchising | Lettings & property management | Estate agency | Financial services | Licensing

Significantly increased scale

Merger with Belvoir in March 2024
Acquisition of GPEA in May 2024

Senior leadership team restructured and objectives agreed as part of the integration

£47.5m
(H1 2023: £28.4m)

Sales agreed pipeline
16% like for like increase to £32.8m*

↑ 67%

152,500
(H1 2023: 77,000)

Rental properties under management
2% like for like increase to 78,000*

↑ 96%

22
(H1 2023: 17)

New territories sold by EweMove

↑ 29%

£7.7m
(H1 2023: £0.9m)

Financial Services commissions

↑ 756%



Financials

H1 2024 Financial Highlights

Franchising | Lettings & property management | Estate agency | Financial services | Licensing

Trading remains at least in line with market expectations for FY24

£26.9m
(H1 2023: £13.2m)

Group revenue
3% like for like increase to £13.6m*

↑ 104%

£12.3m
(H1 2023: £7.7m)

Management Service Fees ('MSF')
8% like for like increase to £8.3m*

↑ 60%

£9.7m
(H1 2023: £5.8m)

Adjusted EBITDA

↑ 65%

£9.1m
(H1 2023: £5.3m)

Adjusted profit before tax

↑ 71%

15.5p
(H1 2023: 13.9p)

Adjusted basic earnings per share

↑ 12%

£14.3m
(H1 2023:
net cash of £0.7m)

Net debt
after borrowing £20m to fund the acquisition of GPEA

£3.7m
(H1 2023: £3.6m)

Cash generated from operations
after the payment of the majority of acquisition costs in H1 2024

6.0p
(H1 2023: 4.6p)

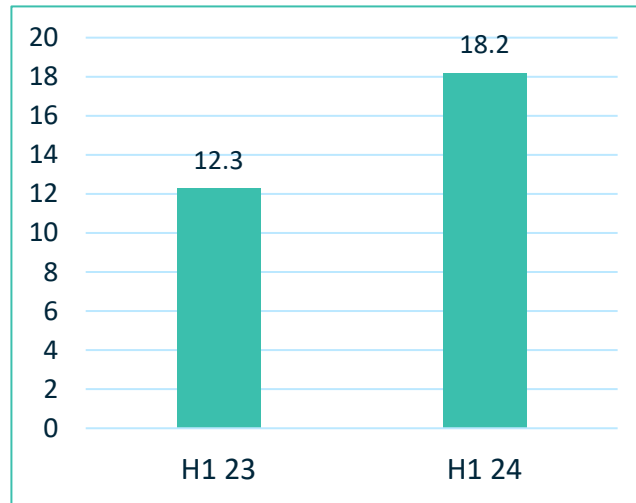
Interim dividend

↑ 30%

Group revenue more than doubled in H1

Group revenue increased **104% to £26.9m** (H1 2023: £13.2m)

Property Franchising



Revenue of £18.2m accounted for 67% of Group revenue

+900 territories

Financial Services



Revenue of £7.7m accounted for 29% of Group revenue

+300 advisors

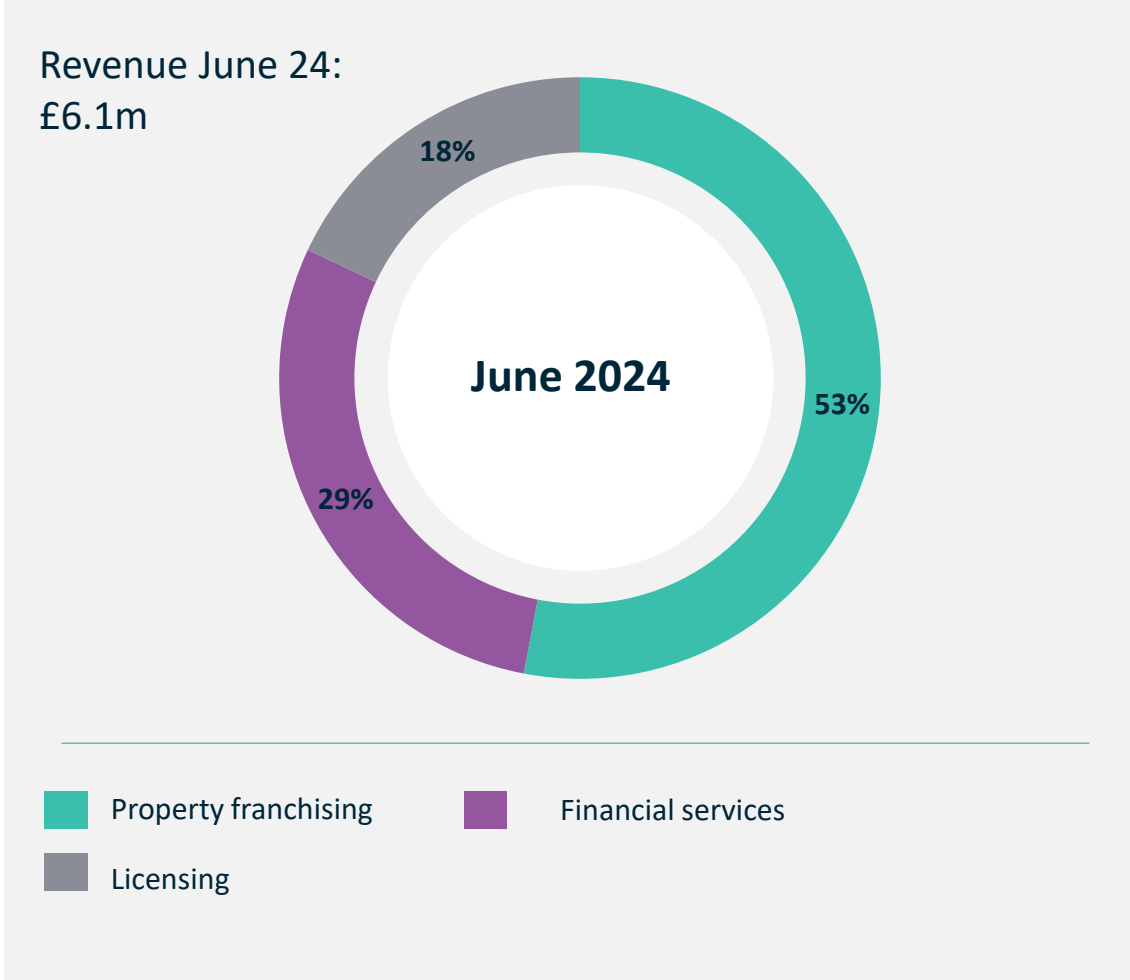
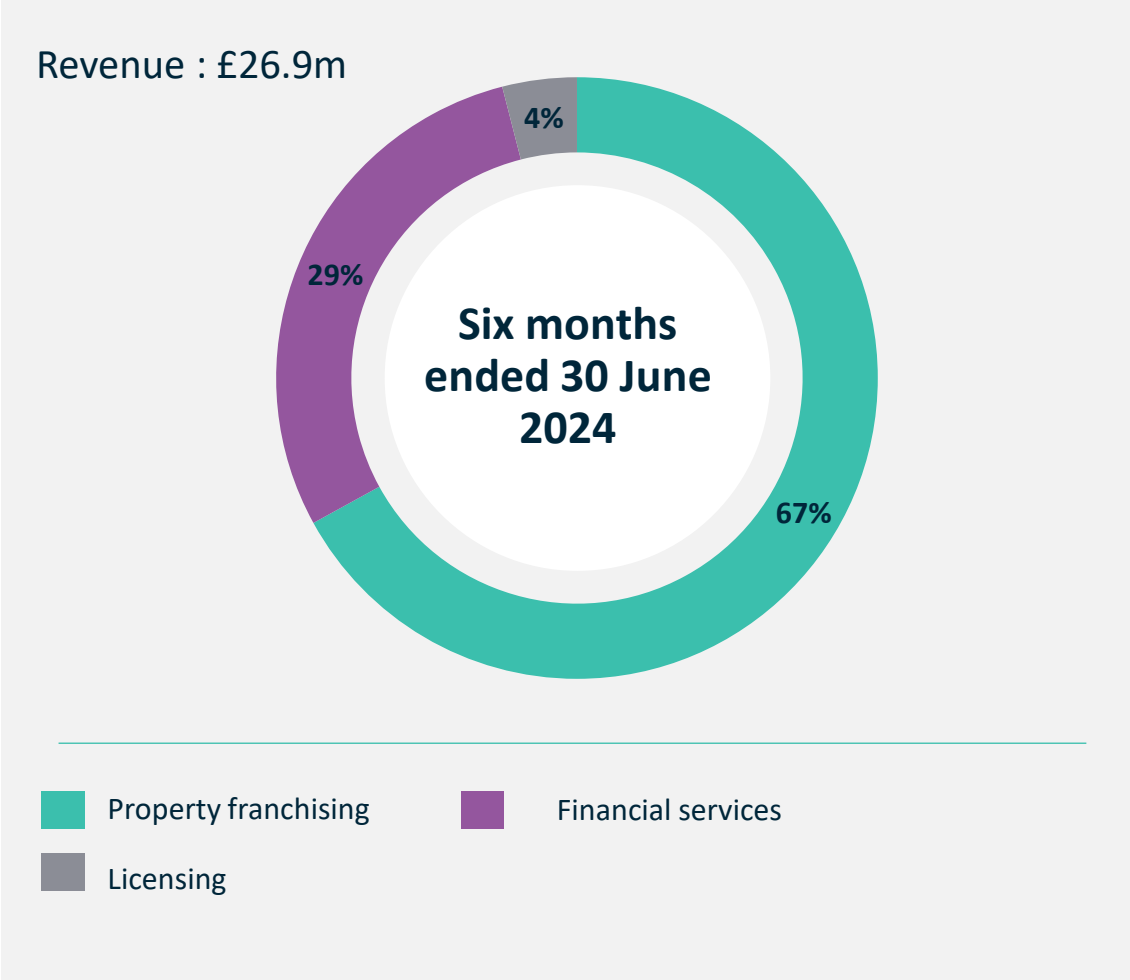
Licensing



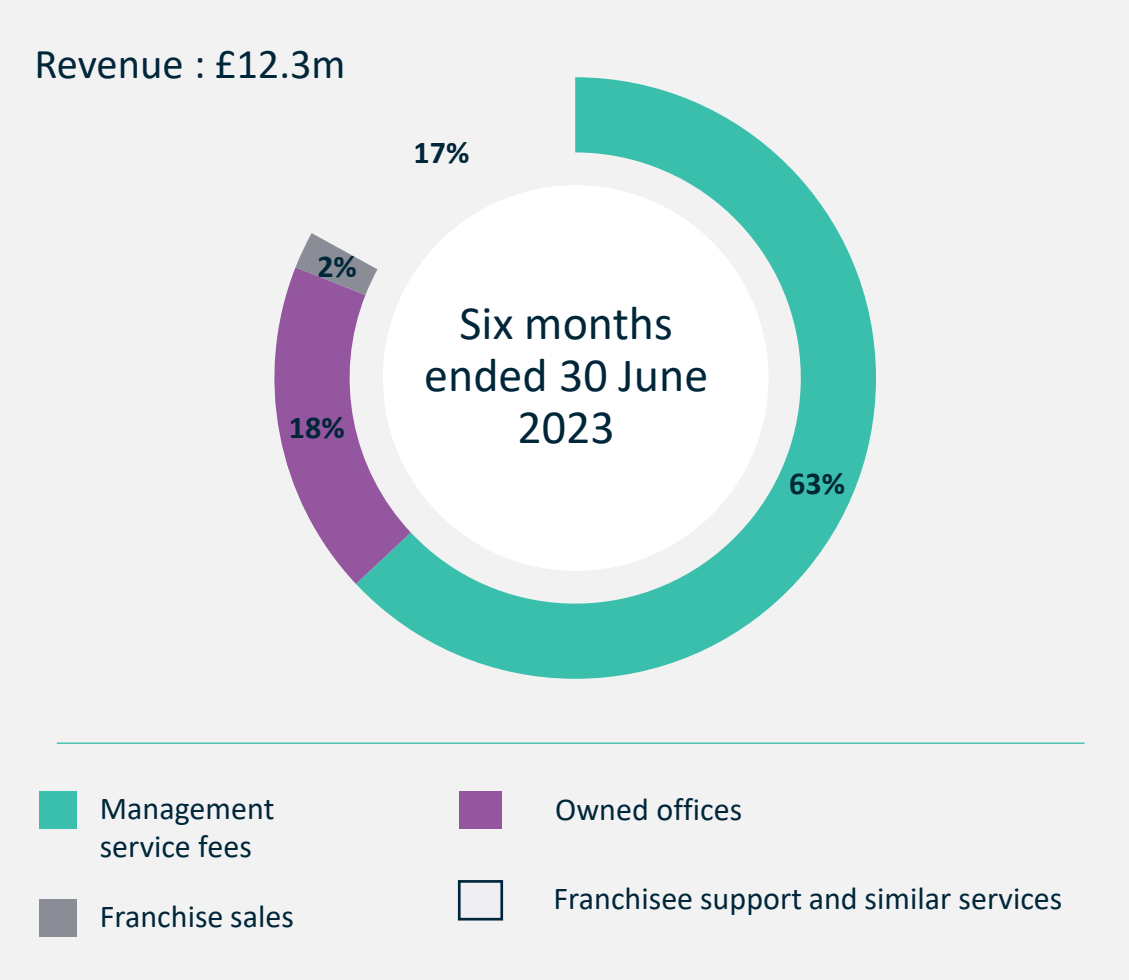
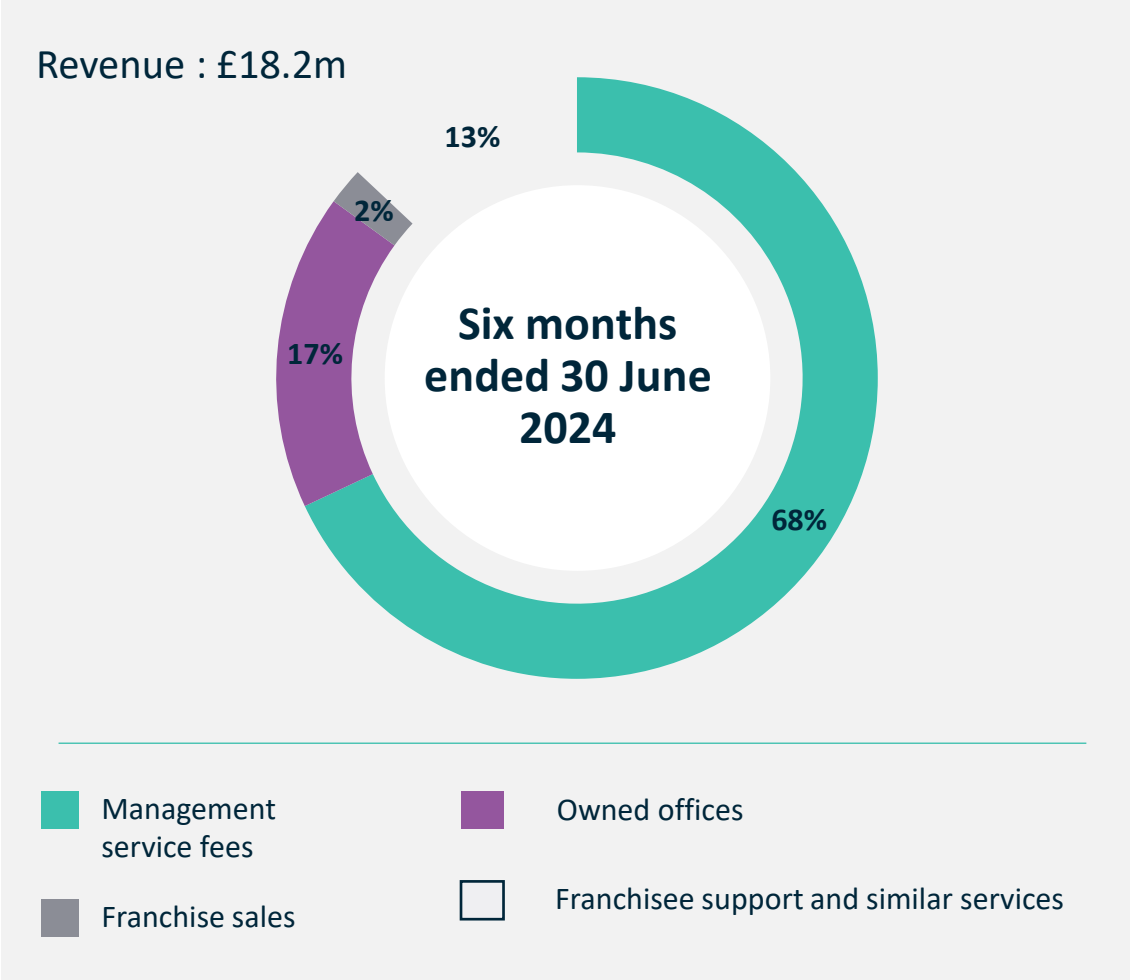
Revenue of £1.0m accounted for 4% of Group revenue (relative contribution)

+1,000 outlets

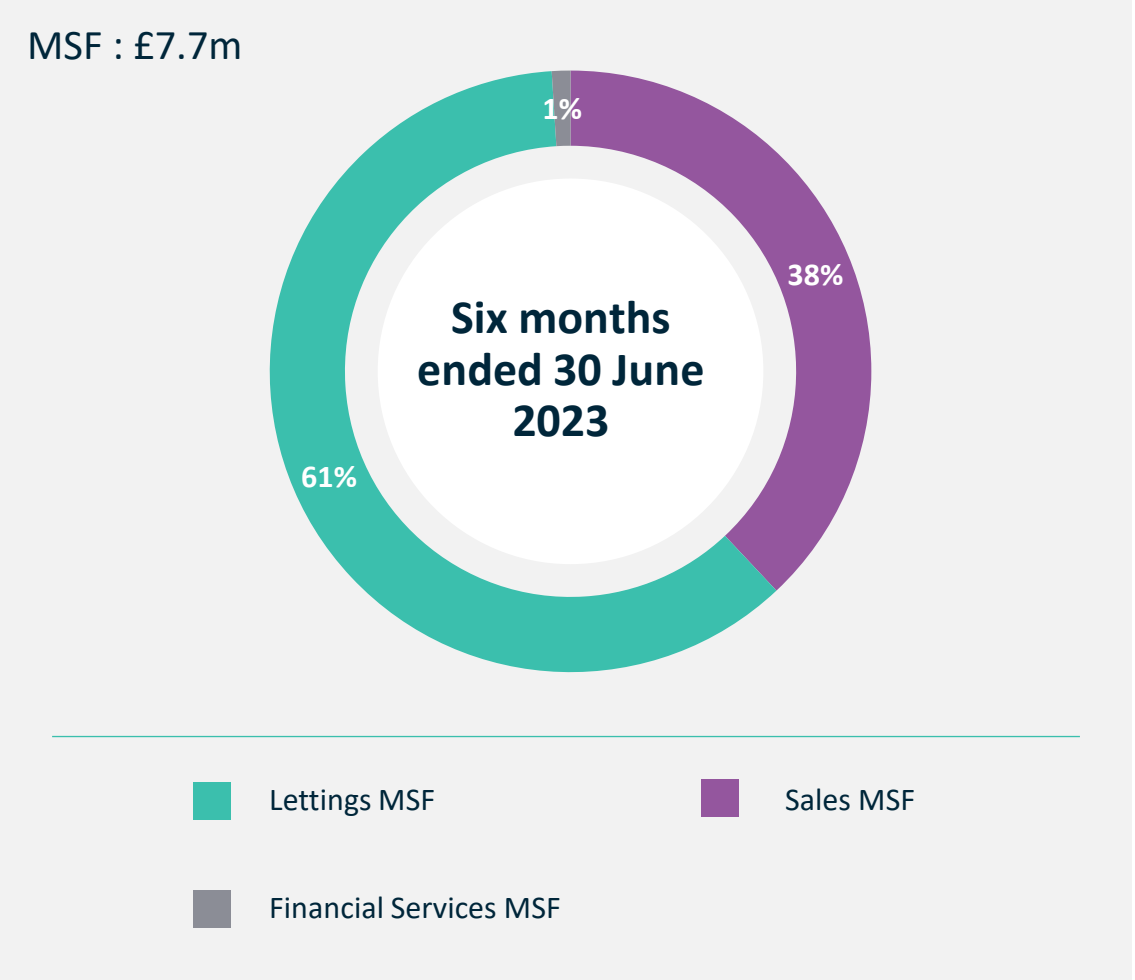
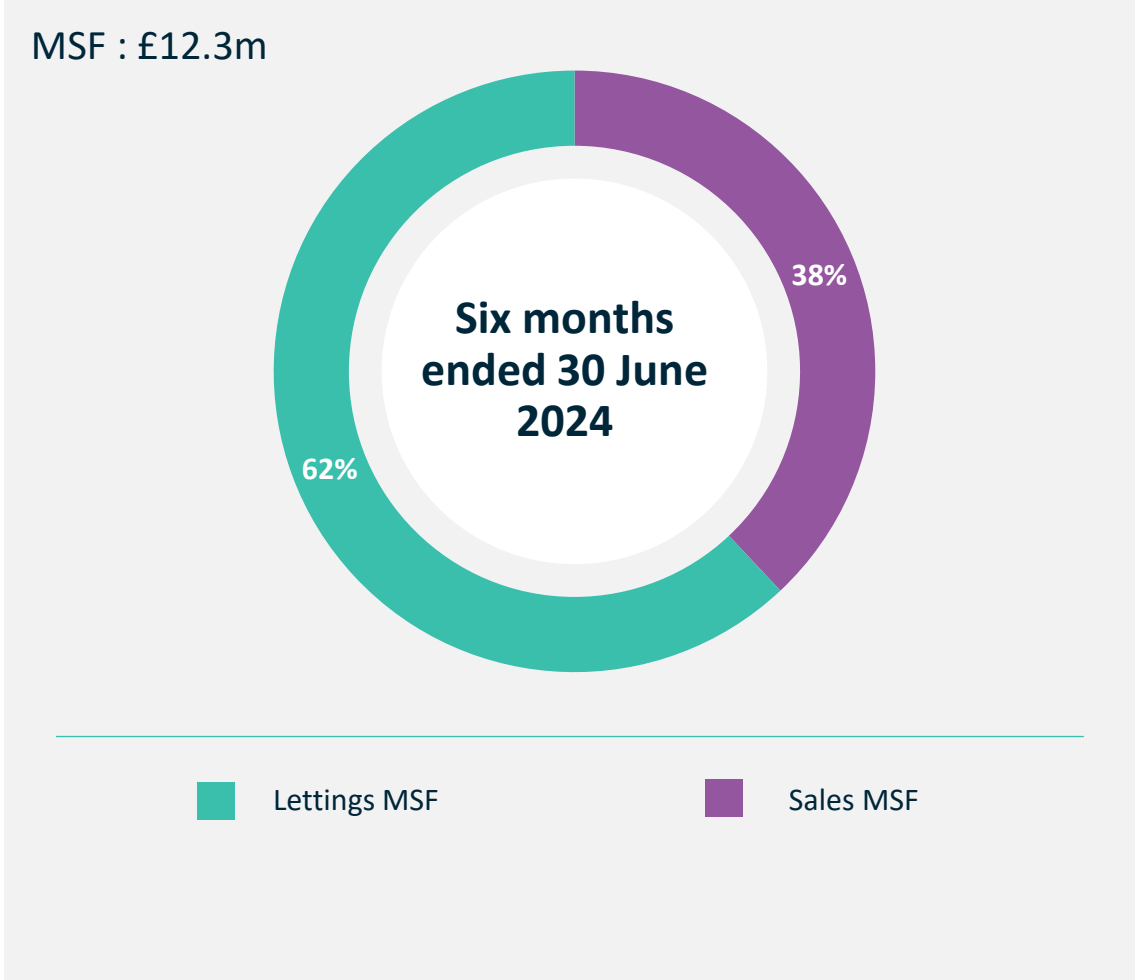
Revenue mix (relative contribution)



Property franchising revenue mix

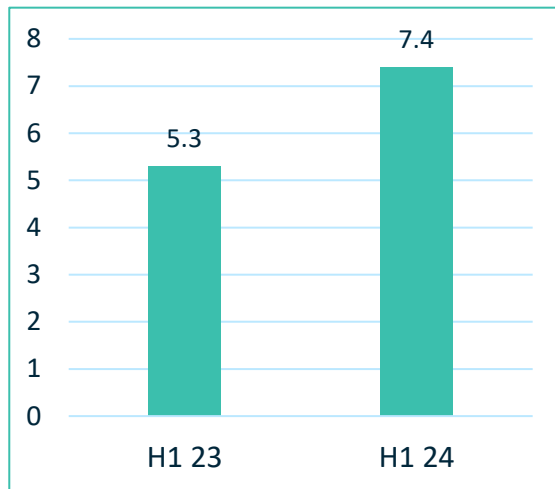


Group MSF split



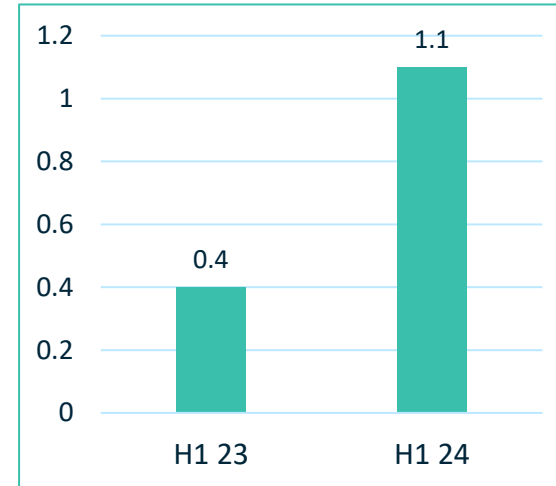
Profit before tax

Property Franchising



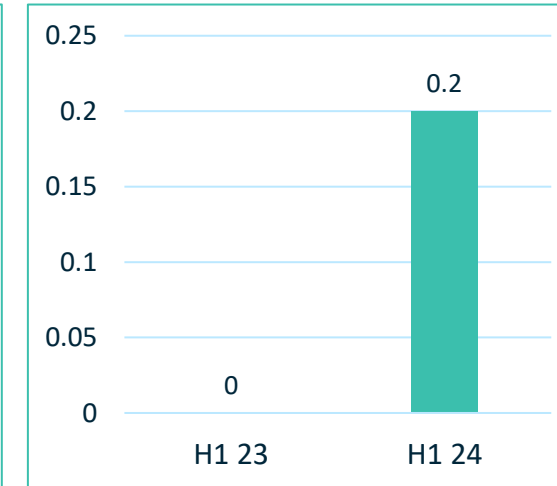
Up **38%** to £7.4m
(H1 2023 £5.3m)

Financial Services



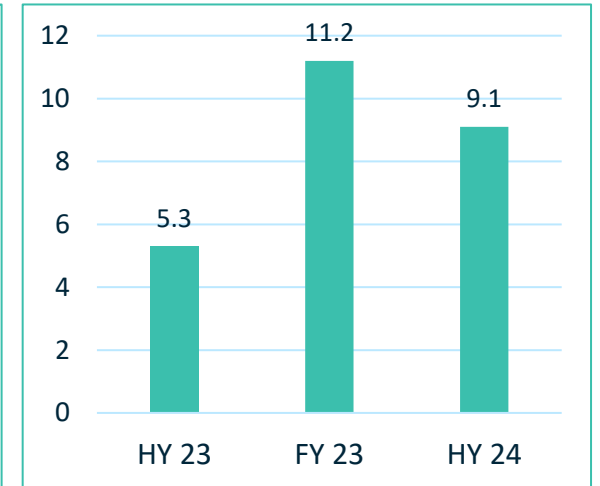
Up **175%** to £1.1m
(H1 2023: £0.4m)

Licensing



In its first month of trading,
Licensing PBT was £0.2m

Adjusted PBT (Group)

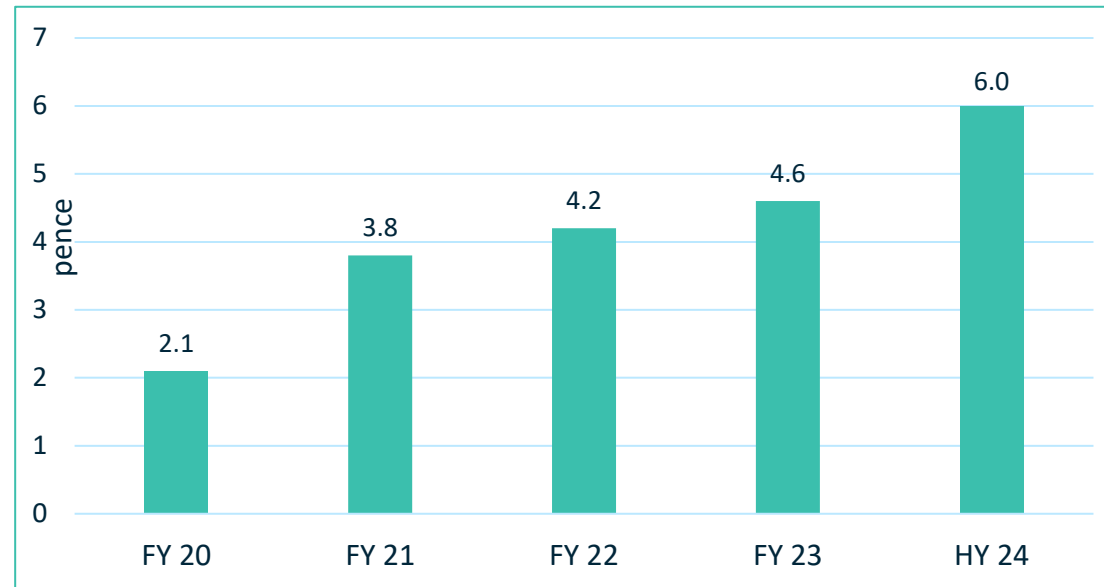


Up **71%** to £9.1m
(H1 2023: £5.3m)

Dividend

The Board has pursued a progressive dividend policy since the IPO

H1 24 interim dividend up 30% to 6.0p following significant progress with the Group's strategic objectives and following the continued delivery of strong cash generation.





Market update & growth initiatives

Market drivers and overview

Proven ability to take advantage of market conditions



Demand for housing outstrips supply and residential property remains a key investment asset class



Benefit from continued strong demand in the lettings market



Lettings demand to continue at similar levels, with the rate of rental inflation beginning to trend towards wage inflation



Sales completions slower than anticipated, though still achieved growth



Increasing levels of sales activity, with Zoopla and Rightmove reporting growth in sales agreed



Financial Services revenue set to grow as the sales market improves

Focused on delivering growth

Franchising | Lettings & property management | Estate agency | Financial services | Licensing

Growing through increased data, scale and market share

153,000 tenanted properties

Manage the largest residential property portfolio in the UK
Lettings acquisition programme and rent inflation programme



1,030 license agreements

Additional recurring revenue stream
Build a data and value proposition for Guild members to grow profitability

28,000+ Properties sold

Outperformed the market
Opportunity to increase share of sales market – 40% of the network conducts sales



14 million data records maintained

Utilise technology to drive revenue back into the group & provide significant opportunity

21,000+ mortgages advised on for completion

Enlarged Financial Services offering with Michelle Brooks
Increasing individual advisor opportunity
Acquisitions to grow number of consultants



Investing in **digital marketing** and **AI**

Engaging customer journey & increased efficiency to fuel growth

Strong senior **leadership**

Streamlined team, leveraging our expanded talent



900 franchise agreements

Continue to grow profitability organically by franchising 1 million a year



Summary & outlook

Summary

Transformational period, following the merger with Belvoir and acquisition of GPEA

Significantly increased scale, bolstered Financial Services business, and new licensing revenue stream

Another record set of results, with Group revenue more than doubling

Invested in technology as a key growth driver

Entered the AIM 100 as we doubled the size of the business
Increasing interim dividend by 30% reflecting confidence in delivering further growth

Outlook

Integration of acquisitions to release the benefit of the synergies in 2025

Strong lettings demand to continue into the second half

Further improvement in sales revenue expected during H2

Financial Services revenues are growing as the sales market improves

We remain confident that trading remains at least in line with market expectations for the full year



Q&A



Appendix

Income statement summary

		Unaudited 6 Months Ended 30.06.24 £'000	Unaudited 6 Months Ended 30.06.23 £'000	Audited 12 Months Ended 31.12.23 £'000
Revenue		26,853	13,182	27,278
Cost of sales		(8,880)	(2,726)	(5,400)
GROSS PROFIT		<u>17,973</u>	<u>10,456</u>	<u>21,878</u>
Administrative expenses before exceptional items		(10,540)	(5,646)	(11,831)
Exceptional administrative expenses	4	(2,245)	-	-
Share-based payments charge		(284)	(416)	(783)
OPERATING PROFIT		<u>4,904</u>	<u>4,394</u>	<u>9,264</u>
Finance income		126	3	20
Finance costs		(195)	(200)	(357)
Other gains and losses		-	-	87
PROFIT BEFORE INCOME TAX EXPENSE		<u>4,835</u>	<u>4,197</u>	<u>9,014</u>
Income tax expense	5	(1,167)	(886)	(1,644)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>3,668</u></u>	<u><u>3,311</u></u>	<u><u>7,370</u></u>

Balance sheet summary

AS AT 30 JUNE 2024

		Unaudited As at 30.06.24 £'000	Unaudited As at 30.06.23 £'000	Audited As at 31.12.23 £'000				
ASSETS								
NON-CURRENT ASSETS								
Intangible assets	10	183,407	44,462	43,757				
Property, plant and equipment		802	229	181				
Investments		-	137	-				
Right of use assets		2,278	1,456	1,525				
Prepaid assisted acquisitions support		238	266	230				
Other Receivables	11	3,135	220	210				
		<u>189,860</u>	<u>46,770</u>	<u>45,903</u>				
CURRENT ASSETS								
Trade and other receivables		12,682	4,521	4,134				
Cash and cash equivalents		5,698	3,224	7,642				
		<u>18,380</u>	<u>7,745</u>	<u>11,776</u>				
TOTAL ASSETS		<u><u>208,240</u></u>	<u><u>54,515</u></u>	<u><u>57,679</u></u>				
					ISSUED CAPITAL AND RESERVES			
					ATTRIBUTABLE TO OWNERS OF PARENT			
					Share capital	623	320	323
					Share premium	4,129	4,129	4,129
					Merger reserve	117,497	14,345	14,345
					Own share reserve	(420)	(348)	(420)
					Retained earnings	19,194	17,906	20,765
					Other reserves	2,965	1,851	1,673
						<u>143,988</u>	<u>38,203</u>	<u>40,815</u>
					NON-CONTROLLING INTEREST	(16)	19	(3)
					TOTAL EQUITY	<u>143,972</u>	<u>38,222</u>	<u>40,812</u>
					LIABILITIES			
					NON-CURRENT LIABILITIES			
					Borrowings	8 17,667	-	-
					Lease liabilities	2,167	1,626	1,647
					Provisions	154	181	181
					Deferred tax	9 22,689	4,744	4,394
						<u>42,677</u>	<u>6,551</u>	<u>6,222</u>
					CURRENT LIABILITIES			
					Borrowings	8 2,333	2,500	2,500
					Trade and other payables	16,878	5,432	6,319
					Lease liabilities	639	495	395
					Tax payable	1,741	1,315	1,431
						<u>21,591</u>	<u>9,742</u>	<u>10,645</u>
					TOTAL LIABILITIES	<u>64,268</u>	<u>16,293</u>	<u>16,867</u>
					TOTAL EQUITY AND LIABILITIES	<u><u>208,240</u></u>	<u><u>54,515</u></u>	<u><u>57,679</u></u>